

GRANT MACEWAN UNIVERSITY FACULTY ASSOCIATION

FINANCE POLICY

1. Preamble

1.1 The Grant MacEwan University Faculty Association (the Faculty Association) has developed this Financial Policy and a Financial Procedure to ensure effective and efficient stewardship of the Faculty Association's assets.

1.2 The policy and financial procedure will ensure that the Faculty Association's finances support its mandate in the most cost-effective manner possible and will provide clear and consistent guidelines for financial transactions and commitments of Faculty Association resources.

2. Financial Stewardship

2.1 The Faculty Association Board (the Board) is responsible for the financial state of the Faculty Association. The Board achieves this stewardship by employing accepted fiscal practices and defined roles and responsibilities.

2.2 The Secretary-Treasurer will review the state of finances regularly and will report to the Board as necessary.

2.3 The Board will appoint an Audit Committee and delegate to the Audit Committee, the completion of the annual audit.

2.3.1 The Audit Committee is responsible for review of the financial operations of the Faculty Association.

2.3.2 The Audit Committee of the Faculty Association will be comprised of the Secretary- Treasurer, two (2) members of the Board who are not signing authorities for the Faculty Association, President (ex-officio) and the Executive Director (ex officio).

2.4 The Board will ensure adequate systems and controls are in place to protect the assets of the Faculty Association.

2.5 The Board will be guided by the auditor's annual recommendations.

3. Operational Policy

3.1 The Faculty Association will use the accrual method of accounting.

3.2 The Faculty Association will follow Generally Accepted Accounting Principles (GAAP) as circulated by the Chartered Professional Accountants Canada.

3.3 The annual audit of the Faculty Association's financial records will be completed in accordance with Generally Accepted Auditing Standards (GAAS) as circulated by the Chartered Professional Accountants Canada.

3.4 The Faculty Association **must** maintain adequate insurance to protect the assets and interests of the Faculty Association.

3.5 The Board must approve changes to financial institutions or bank accounts.

3.6 The Executive Director will report the state of finances quarterly or as requested to the Board. Quarterly reports by the Executive Director to the Board include the following:

- Bank Statements: business account and control account,
- Investment Statements,
- Income Statement,
- Reserves Activity,
- Reward Points,
- State of the finances.

3.7 Reports presented to the Board will include bank and investment statements from the financial institution with account information redacted as well as reports from the accounting system of the Faculty Association and auditor's statements.

4. Annual Budget

4.1 The Executive Director will present the draft annual budget, including schedules and notes explaining the budget, to the Board in January for discussion and in February for approval.

4.1.1 The Executive Director will prepare the budget, schedules and notes.

4.2 Any anticipated significant variances in budget expenditures require review and approval by the Board.

4.3 Two members of the Board will sign the approved annual budget.

4.4 The Board will present the approved budget to the membership at the Annual General Meeting.

4.5 The Executive Director will manage the approved operating budget of the Faculty Association.

4.6 The Executive Director will determine the terms and conditions of employment, including compensation for Faculty Association staff and/or contractors in consultation with the President and in accordance with the approved budget.

4.7 The Faculty Association staff will prepare and maintain all financial records and day to day accounting record keeping.

4.8 Faculty Association staff will complete monthly bank reconciliations of all bank accounts and credit cards. The completed bank reconciliations must be reviewed and initialed by the Executive Director and the Secretary-Treasurer.

5. Reserves

5.1 The Faculty Association will maintain funds in reserve for extraordinary or irregular expenses. A reserve fund is created as a contingency to enable the Faculty Association to function in unusual conditions. The auditor will account for any changes in the reserve fund amounts and make year- end adjusting entries. All reserve funds amounts will be reported in the annual audit.

5.1.1 Legal and Arbitration Reserve Fund - The Faculty Association will maintain a reserve fund of \$250,000 for arbitrations and unbudgeted legal costs.

5.1.2 Operational and Liability Fund - The Faculty Association will seek to maintain a reserve of one year of expenses in the event of a cessation of revenue or for liabilities not accounted for in the annual budget. This reserve fund may be maintained at a minimum of 75% of annual revenue of the last fiscal year.

5.1.3 GMUFA Defence Fund - The Faculty Association will maintain a fund for expenses to support the Faculty Association for mobilization, member support and operational expenses in the event of a potential labour stoppage or during a labour stoppage. The GMUFA will contribute annually to the GMUFA Defence Fund.

5.1.4 Negotiations Reserve Fund - The Faculty Association will maintain a \$75,000 reserve fund for collective agreement negotiations. This fund will permit the GMUFA to access monies not already budgeted to support collective agreement negotiations. The funds may provide the following but is not restricted to course release, honoraria, legal expenses, external negotiators or consultants.

5.2 Reserve funds may only be accessed upon approval of the Board.

6. Signing Authority and Limits

6.1 Other than as set out below, all transactions and commitment of resources within the Faculty Association require two signing authorities for investments and cheques.

6.2 The Executive Director, or designate as appointed by the Board, is the sole approved signatory for the on-line bank account (other than the Investment Account) for transfers up to \$40,000 per month.

6.3 The President, Vice President, Secretary-Treasurer and Executive Director are designated as signing authorities for the Faculty Association.

6.4 If not already defined in the budget, spending in excess of:

- \$10,000 for Faculty Association Membership expenses,
- \$10,000 for Faculty Association Board expenses, or
- \$3,000 for Executive Director expenses,

must be approved by the Board.

6.5 The Faculty Association may use credit cards for expenses such as hosting, travel and Faculty Association expenditures.

6.6 The President and the Executive Director are provided credit cards to conduct approved Faculty Association business. They may not use the credit card for personal expenses or excess expenses for Faculty Association business, as defined in 6.4 above.

6.7 If either the President or the Executive director incur expenses in violation of this policy, the Secretary-Treasurer will inform them of the violation. In the event of any disagreement between the credit card holder and the Board about the use of the credit card, the Faculty Association Board may cancel the credit card.

6.8 The Executive Director will report credit card limits to the Board annually in January.

6.9 Any changes to credit card limits must be approved by the Board.

To avoid interest charges credit card balances will be paid automatically through the bank's automated system or on-line transfer if the balance will exceed the limit.

7. Conflict of Interest

7.1 No Board member, Faculty Association Committee member or Faculty Association employee will engage in any activity that creates a conflict of interest.

7.2 A conflict of interest exists when a Board member, Committee member or employee, set out in 7.1 above, has a personal interest or incurs an obligation in a business transaction or professional activity which conflicts with the proper discharge of their duties and responsibilities to the Faculty Association, or otherwise affects the integrity and confidence of the Faculty Association.

7.3 Any real or potential conflict of interest must be reported to the Executive Director or President.

7.4 Accepting gifts, except as set out in 7.5 below, from anyone doing business with, or soliciting business from, the Faculty Association is a conflict of interest and is not permitted.

7.5 The occasional non-monetary minor gift or token courtesy, with a value under \$100 which does not place, nor appear to place, the recipient under any obligation are excepted from 7.4 above.

8. Travel and Business Expenses

8.1 The Faculty Association shall reimburse its employees, Board members and other volunteers and individuals who are engaged in authorized Faculty Association business and will provide reimbursement for reasonable and necessary expenses.

8.1.2 Business related hospitality expenses including the provision of meals and/or beverages of Faculty Association guests in order to conduct related business are reimbursable.

8.1.3 Normally, Alcoholic beverages are subject to a limit of two drinks per person per day.

The traveler is responsible for ensuring that claims for expenses are accurate and in accordance with Faculty Association policy and procedure.

8.2 The Executive Director is responsible for ensuring that reimbursed expenses are for Faculty Association purposes only and are in accordance with Faculty Association policy and procedure.

9. Hosting

9.1 The Faculty Association may host events, activities or meetings. Hosting must always be related to Faculty Association business as defined by the Faculty Association's Constitution and Bylaws.

9.2 The Faculty Association may incur expenses when meeting with members, provincial or national association representatives or other individuals.

9.3 When hosting, the Faculty Association is expected to employ reasonable fiscal consideration.

10. Investment Guidelines

10.1 The Executive Director and Secretary-Treasurer are responsible for investment and protection of the restricted and non-restricted net assets of the Faculty Association.

10.2 Net assets must be invested in products that guarantee protection of principal (ie GIC and Term Certificates) and with institutions that are covered by the Canadian Deposit Insurance Corporation (CDIC) except for twenty-five percent (25%) of unrestricted assets which may be invested in low to medium risk investments on the advice of a financial investment advisor, subject to approval of the Board.

11. Membership Dues

11.1 The Faculty Association collects dues from the membership. Members have dues deducted directly from their pay by the MacEwan University. MacEwan University then remits the dues to the Faculty Association. The Faculty Association determines the dues rate in accordance with the Bylaws.

11.2 Currently the rates are as follows:

- Members excluding Instructional Assistants: 1.1264 % of gross salary
- Instructional Assistants: \$47.22 per month

11.3 The Faculty Association must conduct a sample audit of remittances every five (5) years or earlier if necessary.

12. Review

12.1 This policy will be reviewed by the Board every three (3) years or as necessary.

Effective: November 2019